



LEGISLATIVE
FISCAL
ANALYST



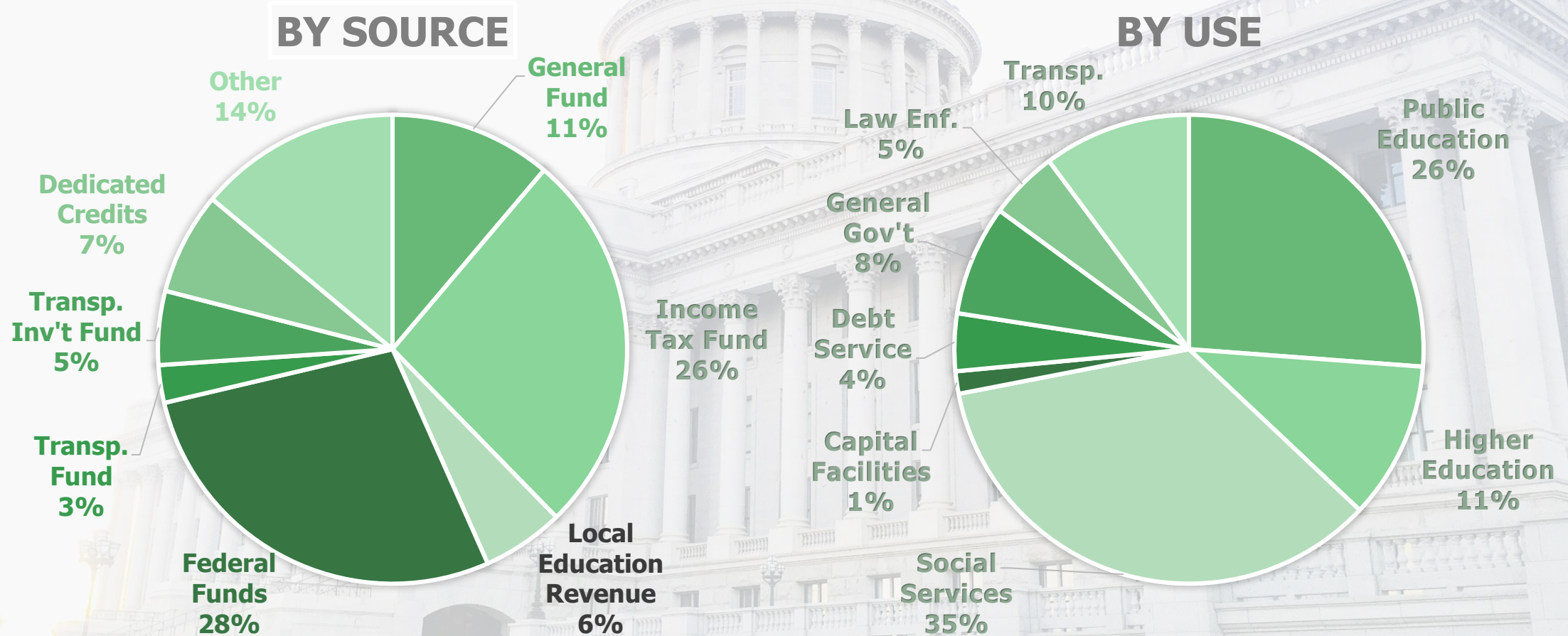
Managing Federal Funds Risk

Jonathan Ball

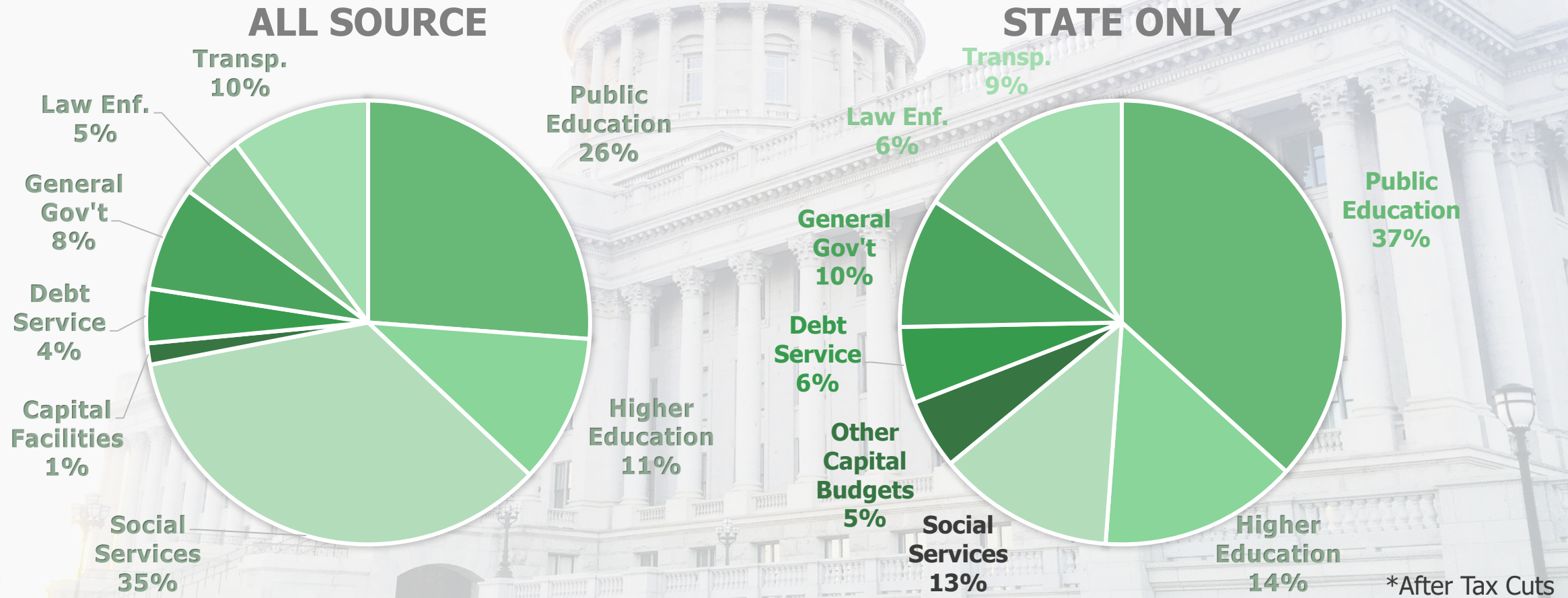
Legislative Fiscal Analyst

05-17-2023

FY 2024 All Sources - \$29.4 billion



All Source vs. State Only by Use, FY 24



Simple Math

Ratings
Downgrade

Higher
Borrowing
Cost

Lower State
Grants and
Aid



Utah Bails-out Feds

- 2011 Sequestration of Build America Bonds
- 2013 Federal Shut-down:
 - Reopening Utah's National Parks
 - Prepared to make payroll for 192 Utah National Guard Employees
 - Prepared to back-fill Women, Infants and Children (WIC) program
- 2018 Federal Shut-down:
 - Again Operating Utah's National Parks
 - UDOT expenditures to plow roads in National Parks



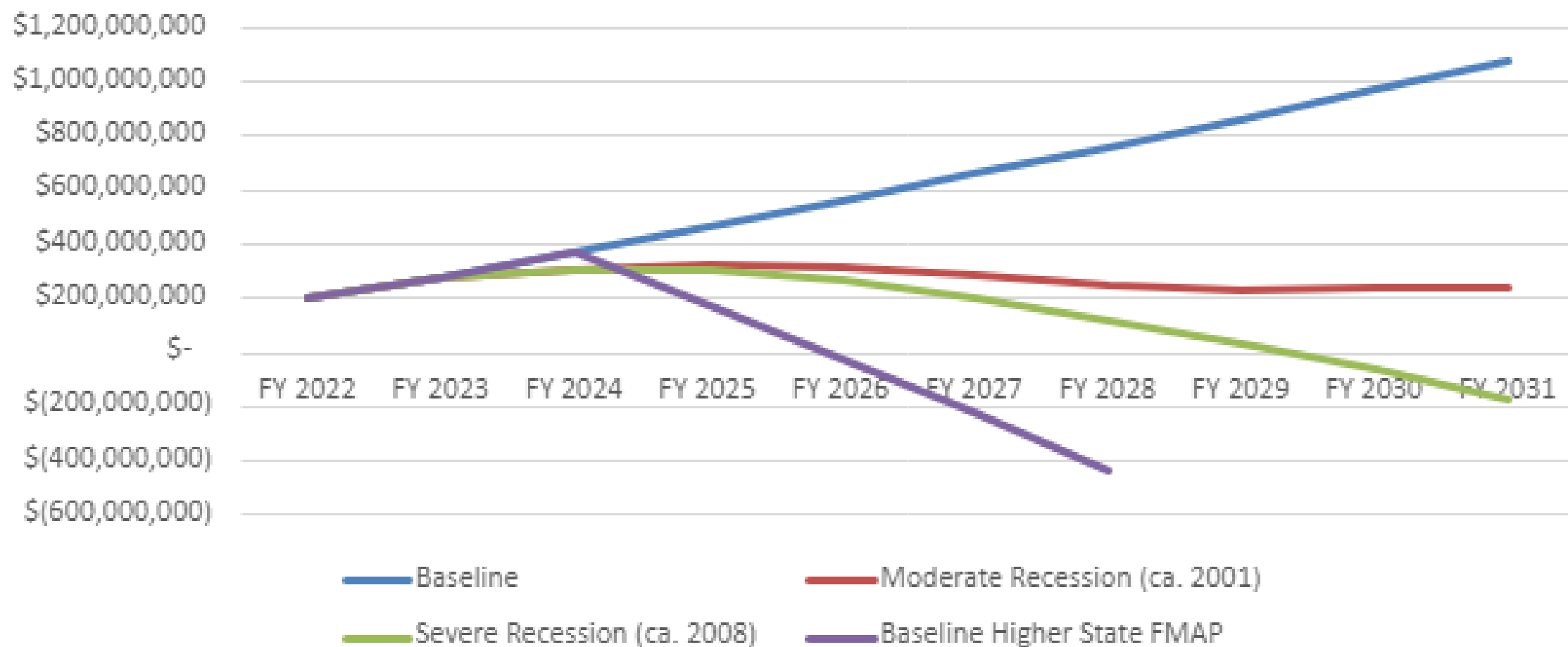
Utah Triage Federal Spending

- \$977 million per year in state sales tax earmarks for transportation including the interstate highway system
- \$50 million in FY 2024 for Wasatch Front Aqueduct Resilience, formerly finance by federal government
- \$59 million ongoing to Medicaid Expansion Fund to counter potential reduction in expansion match rate



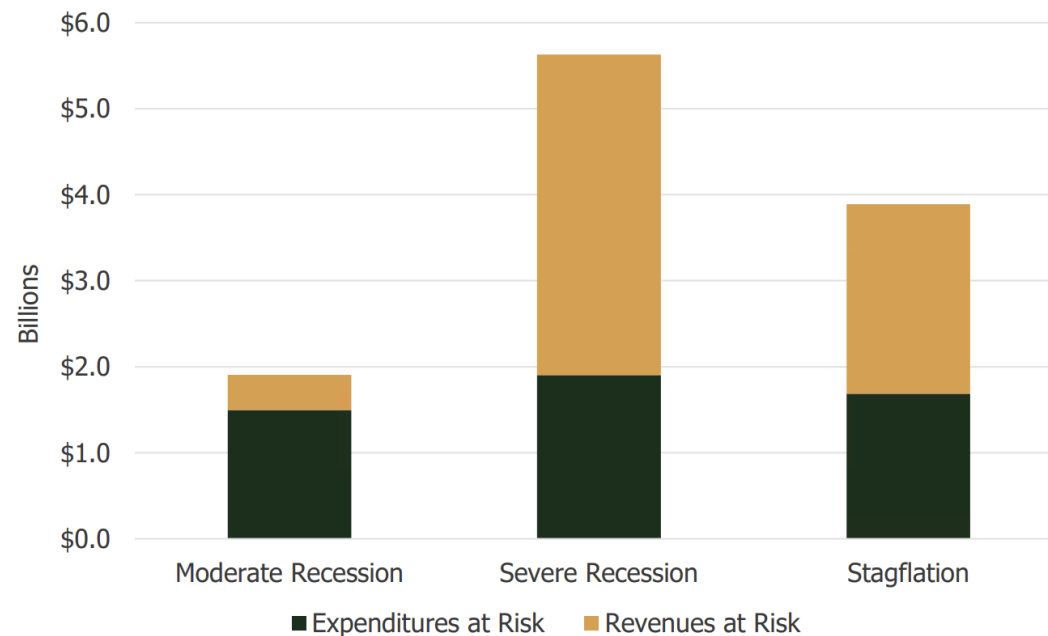


Medicaid Expansion Fund Balance



Stress Testing and Contingency Planning

Economic Scenario	Five-Year Total Value at Risk
Moderate Recession	\$1,905,300,000
Severe Recession	\$5,629,100,000
Stagflation	\$3,890,100,000



- Measure effects of alternative economic scenarios
- Calculate difference between baseline and alternatives
- Determine value at risk
- Inventory buffers
- Compare value at risk to buffers
- Adjust buffers



A photograph of a natural rock arch in a desert landscape. The arch is made of reddish-brown sandstone and stands prominently in the foreground. Through the arch, a vast valley covered in snow is visible, with snow-capped mountains in the distance under a blue sky with scattered clouds. The foreground shows the sandy, uneven ground of the desert.

Utah

"#1 Best State Overall"

"#1 Best State for Fiscal Stability"

"#1 Best State for Economy"

-U.S. News and World Report

April 2023

Thank you!



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